



PATIENT POORLY, MAY IMPROVE

The United States is on the brink of substantial reforms to make health care more accessible and affordable. But the battle is far from over, writes Lesley Russell

Late in the evening of Friday July 31, when most members of the US House of Representatives expected to be travelling home for the August break, the 59 members of the Committee on Energy and Commerce, their staff, the media and lobbyists were still crammed into the committee room – which by then had the atmosphere and aroma of a locker room – amending the health care reform bill.

Getting to this stage had already involved considerable drama. The Republicans had made it clear that they were going to play interference, slow things down and try to make health-care reform President Obama's Waterloo. The Blue Dog Coalition, a group of conservative Democrats, had used their power to extract more Medicare benefits for their (mostly rural) communities while cutting the scheme's overall outlays, and yet three of them were still unlikely to vote for the bill. A stoush had erupted with the head of the independent Congressional Budget Office, who argued that more savings were needed. Multiple amendments had been put forward – prohibiting abortion, banning the bill's public health insurance option, restricting the ability of the Government to use data on the comparative effectiveness of different treatments and providers – and rejected in some very close votes. And there had been much grandstanding and pontificating, from opponents and proponents alike.

But at 9.30pm it was time for the final vote. The bill was approved by 31 votes to 28, with five Democrats voting against. In a final moment of drama and deference the committee chairman, Henry Waxman, turned to the chairman emeritus, John Dingell, the longest-serving member in the House and the man he had unseated six months earlier, and called on him to order that the bill be "reported out" of committee – that is, order that the bill be sent to the House for consideration. "It's a great bill, Mr Chairman," Dingell said. "And I move that it be reported with the usual instructions."

Dingell has championed universal health care for all of his 54 years in Congress, but his efforts had never got this far before. The room erupted in a

standing ovation. No one remarked that it was exactly 44 years since the pathbreaking Medicare legislation was enacted, not even Dingell, the only person in the room who had voted for that bill.

Lawmakers have now taken legislation to implement health-care reform further than at any time since 1965, when the Medicare scheme was enacted. Sensing the inevitability of change, insurers, pharmaceutical manufacturers and hospitals have positioned themselves to cut the best deals possible. President Obama, consummate salesman, must now address the concerns of the public, unite the Democrats and simultaneously manage the impact of the recession, drive forward energy policy and juggle difficult foreign policy issues. This could be the most important August recess in recent history.

Complicating the picture is the fact that two health-care reform bills have been working their way through Congress, developed by different committees. Three House committees – Ways and Means, Education and Labor, and Energy and Commerce – worked together to develop a single bill, while the Health, Education, Labor and Pensions Committee has passed a very similar bill.

Meanwhile, the Senate Finance Committee is still struggling to produce a bipartisan bill. President Obama would like a bipartisan effort, but has indicated that he does not want progress held hostage to uncooperative Republicans.

Both the main bills have three broad aims: to provide affordable, quality health cover to all Americans, to tackle the huge blow-out in health-care costs, and to ensure that the \$1 trillion needed to fund the reforms over the next decade does not add to the federal debt.

The first of these could be the easiest, with a growing consensus that it is no longer acceptable, or affordable, to have nearly 50 million Americans with no health insurance. But "universal coverage" in the US will look like a patchwork quilt – including expansions of Medicaid, incentives for small businesses to cover workers, penalties for big businesses who do not, and financial help for low-income families to buy insurance – overlaid by protection for people who already have insurance



and don't want changes. Even under the best of circumstances, the quilt will have holes; it is estimated that about 97 per cent of Americans will ultimately be covered.

Crucially, the reform plan involves eliminating "lifetime limits" on health-insurance cover, banning funds from denying cover or increasing premiums for pre-existing conditions, abolishing co-payments or deductibles for preventive care, and introducing an annual cap on out-of-pocket expenses.

The biggest issue has been the insistence by the President and leading Democrats on a public health-insurance plan. The rationale is not unlike the one made for Australia's Medibank Private. According to President Obama, "One of the best ways to bring down costs, provide more choices, and assure quality is a public option that will force the insurance companies to compete and keep them honest." The health insurance industry is implacably opposed, claiming they will be driven out of business. For most legislators, this is a key element of the plan.

Huge costs and inefficiencies in the US health-care system have hamstrung the nation's ability to expand access to care. As was demonstrated after Massachusetts introduced universal coverage in 2006, unless efforts are made to rein in costs, the system is unsustainable. This is difficult under any circumstances, but especially in an environment where voters are worried about choice, rationing and the feared "socialisation" of medicine.

Studies show that high costs do not equate with quality care. On the contrary, care is often better in low-cost areas. Patient care in high-cost regions tends to be very fragmented, with considerably more diagnostic tests, hospital admissions, operations, and specialist visits, considerably fewer low-cost preventive services and primary care, and equal or worse outcomes for patients.

Nearly 30 per cent of the costs of the US Medicare system could be saved without reducing health outcomes if spending in high- and medium-cost areas could be reduced to the levels in areas such as Rochester, Minnesota, or Seattle, Washington, all of which have world-class hospitals and overall health-care costs below the national average. The bills before Congress include a raft of measures to rein in costs, but these alone will not be sufficient.

Massachusetts is weighing changes in the way doctors are reimbursed to reward them for keeping patients healthy, not for performing more tests. In a

recent report, the state's Special Commission on the Health Payment System found that the fee-for-service system rewards volume, not outcomes or efficiency. It recommended a payment system that would compensate providers in advance for all or most of the care their patients will require over a contract period. The commission also proposed mechanisms to ensure better integration and continuity of care, provider incentives such as pay-for-performance programs, appropriate consumer incentives to manage their health and use health services efficiently, and a mechanism to protect providers from catastrophic financial loss.

Many of these approaches are incorporated into the health-reform bills, albeit as pilot and demonstration programs. Improved health databases are also seen as a means of reducing costs and duplication and avoiding medical errors.

Under the bills, increased efforts in prevention and public health are essential underpinnings of health-care reform. Funding of \$89 billion is provided for substantial investments in prevention and public health, including the establishment of a Prevention and Wellness Trust and a public health workforce corps, together with training programs and support for research and infrastructure. The equivalent spending in population terms for Australia would be an additional \$623 million a year.

But the provisions in the bill that are designed to encourage "comparative effectiveness" (considered a nicer term than cost-effectiveness, but still inflammatory) have been demonised as attempts to ration care, intervene in the doctor-patient relationship, and deprive patients of needed treatments. Every Republican has a story about how someone died in Britain because they were denied treatment by the National Institute for Health and Clinical Excellence, which assesses the efficacy of various treatments within the National Health Service.

Repeated attempts have been made to excise these provisions from the bills. Although they're still in the legislation, opponents have ensured that no data generated by the new Center for Comparative Effectiveness Research can be used to limit health cover or ration care.

What happens next? Congressional members are back in their districts until after Labor Day, September 7, facing the concerns of their constituents and articulating why they are supporting or opposing health-care reform. Many were



nervous about what awaited them back home, and rightly so. Radical-fringe opponents are organising to disrupt town hall meetings conducted by lawmakers. These groups are disseminating outright lies about reform provisions, the most extreme of which equates health-care reform with Hitler's final solution. The President and Democrats must now begin the process of inoculating their constituents against these false messages.

Recent polls highlight the fact that what Americans think about reform depends on what they are told. The more they know, the more they like it. One recent poll asked "From what you have heard about Obama's health care plan, do you think it's a good idea?" Only 36 per cent said yes, 42 per cent said no, with 22 per cent undecided. But when they were given several details, 56 per cent said they favoured the plan, and only 38 per cent were opposed to it.

So the need is to get people listening and learning, and that is a battle for hearts, minds and air time. Media, lobbying and grassroots efforts are in full gear. Most of the \$52 million in advertising on this issue to date has been paid for by groups in favour of reform. This is a small amount in contrast to the \$127 million spent lobbying the Congress on health in the first three months of 2009.

There are many who find the President's push to tackle this key election commitment too much too soon and urge a slower pace. Falling approval ratings, public outrage – real or manufactured – and budget concerns are all used as arguments why health-care reform should not happen in 2009. But others see a unique window of opportunity that the nation cannot afford to miss.

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Signs of conflict: Anti- and pro-reform supporters engage in a battle of the placards in Los Angeles. Photo: REUTERS

Delay will certainly create opportunities for the opponents of reform. But doing nothing about the health-care crisis is increasingly not an option. By Labor Day, since the beginning of the month, almost half a million Americans will have lost their health insurance coverage, even as insurance premiums and health costs continue to rise. Failure to tackle these issues will hinder the nation's economic recovery and international competitiveness. The cost of reform, \$1 trillion over 10 years, only seems astronomical until it is seen in the context of current annual expenditure on health care of \$2.5 trillion (or \$25 trillion over 10 years) and spending projected to reach 20 per cent of GDP by 2017.

While failure lurks as a possibility, the most likely worst-case outcome is a compromise that guts key parts of the legislation and leaves Congress with no appetite for further change. But as a symbol that minds can be changed, consider the fictional suburban couple, Harry and Louise, who featured in a series of national television spots sponsored by the health insurance industry. Those ads stoked the fears that helped doom President Clinton's health-reform plan. Now the same actors are back in a new campaign, paid for by the pharmaceutical industry, voicing support for Obama's plans. Perhaps miracles do happen.

Lesley Russell is the Menzies Foundation Fellow at the Menzies Centre for Health Policy at the University of Sydney and the ANU, and a Research Associate at the US Studies Centre, University of Sydney. She is a Visiting Fellow at the Center for American Progress in Washington DC.

